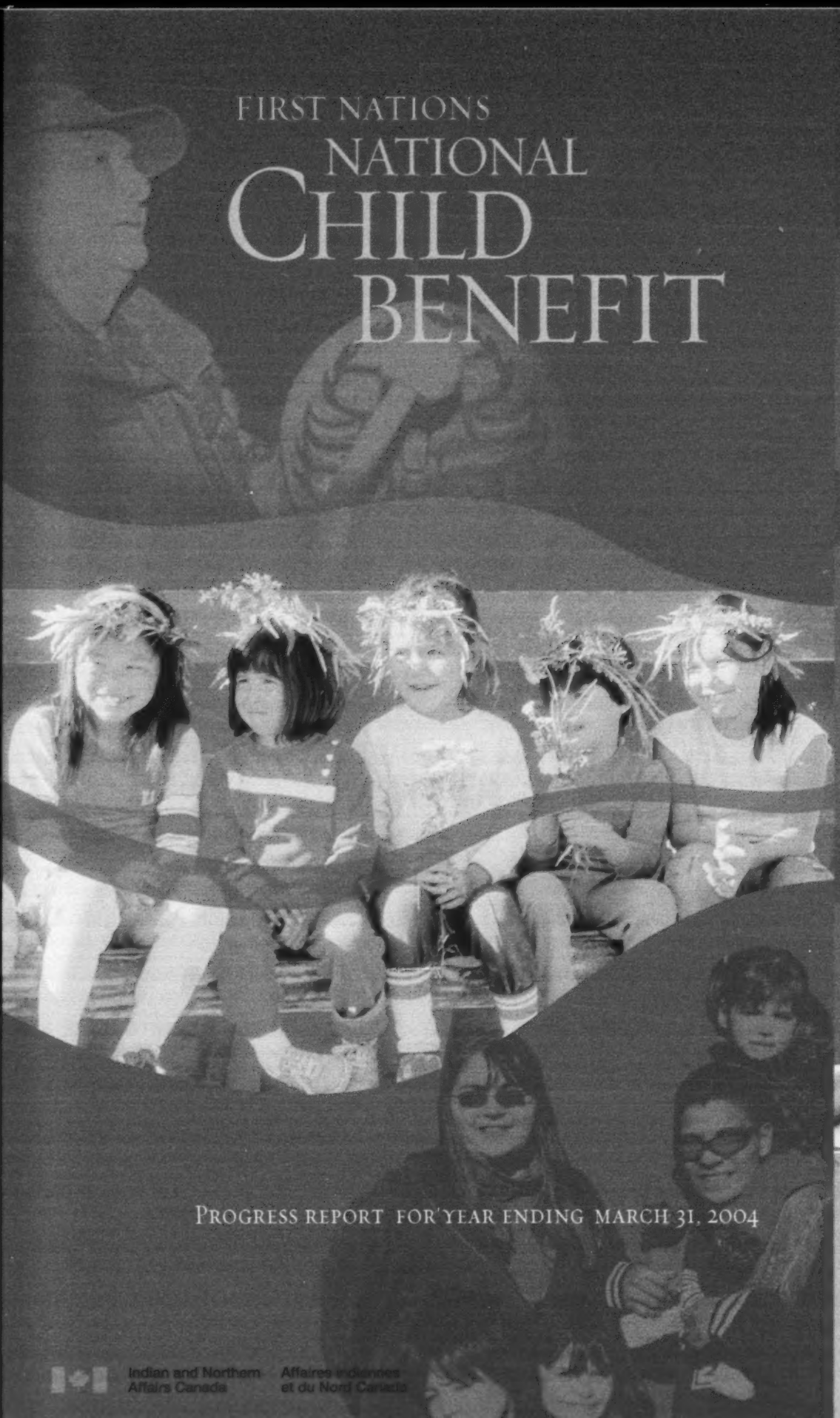
FIRST NATIONS NATIONAL CHILD BENEFIT



PROGRESS REPORT FOR YEAR ENDING MARCH 31, 2004

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FIRST NATIONS NATIONAL CHILD BENEFIT

PROGRESS REPORT FOR THE YEAR ENDING MARCH 31, 2004

EXECUTIVE SUMMARY

The First Nations National Child Benefit (NCB) is part of a program shared by the federal, provincial[1] and territorial governments. The National Child Benefit initiative has three goals: (1) to help prevent and reduce the depth of child poverty; (2) to promote people staying in the labour market by ensuring that families will always be better off as a result of working; and (3) to reduce overlap and duplication by harmonizing program objectives and benefits and by simplifying administration.

Under the NCB, the Government of Canada provides financial benefits directly to low-income families with children. It does this through the NCB Supplement component of the Canada Child Tax Benefit (CCTB). Provinces, territories and First Nations provide other programs and services for low-income families with children.

The Treasury Board Secretariat requires that Indian and Northern Affairs Canada (INAC) prepare and distribute annual reports on the progress being made by First Nations in implementing the NCB in their communities. This fifth annual report provides background information on the purposes and structure of the First Nations National Child Benefit. It also gives examples of the kinds of projects that are enabled by NCB reinvestment funding. The report presents expenditure and impact data. It also reviews the achievements of First Nations up to and including fiscal year 2003-2004. The information for this report comes from First Nations project administrators and INAC records.

First Nations reinvestments in programs and services for low-income parents and their children amounted to more than $53 million in 2003-2004. Since the National Child Benefit Reinvestment (NCBR) initiative began in 1998-1999, First Nations have reinvested well over $300 million to help reduce the effects of poverty in their communities. The number of families and children who benefited from these programs and services were over 93,000 in 2003 and over 194,000 in 2004.

The number of projects enabled by the NCBR and the numbers of beneficiaries of those projects has risen since the initiative began. The use of reinvestment funds will probably increase as First Nations build on and share their experiences and knowledge about this funding process.

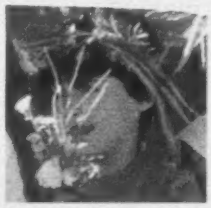
The benefits of the NCBR for communities are:

1 The NCBR initiative funds many services that are not always available to low-income parents and children. The services support their participation more fully in economic, social and cultural activities.

2 The flexible nature of the NCBR initiative allows First Nations to address their specific community priorities and needs while working on child poverty.

3 The initiative reinforces the efforts of First Nations organizations and the Government of Canada to develop self-governing, self-determining and self-reliant First Nations.

4 Creating and managing NCBR projects allows local officials and administrators to develop transferable knowledge and skills.



The Government of Canada continues to work in partnership with First Nations to achieve the shared goal of improving the quality of life for Aboriginal peoples. The benefits gained by low-income parents and their children from the social, health and related services funded by NCB reinvestments are a significant result of this shared effort.

HELPING LOW-INCOME PARENTS AND CHILDREN

The National Child Benefit (NCB) began in 1998 as part of the National Children's Agenda. The Agenda worked on the long-term consequences of child poverty for children and society as a whole. The federal, provincial and territorial Ministers of Social Services agreed that governments, including First Nations, should work together to ensure that all Canadian children have a good start in life. They also agreed that families with children should be well-equipped to provide adequate care and nurturing for their children.

The 1998 Speech from the Throne set out the goals of the NCB initiative. These goals are: (1) preventing and reducing the depth of child poverty; (2) promoting families staying in the work force; and (3) reducing overlap and duplication among programs serving children and families.

The 2002 Speech from the Throne re-affirmed Canada's commitment to combat poverty, improve health and present Aboriginal children with more choices in life. Efforts to preserve cultural identity were also re-affirmed.

The NCB helps children and parents by providing a secure national program of child benefits. It also helps by improving services and supports for low-income families with children. Helping low-income families participate in the labour market is the most effective long-term approach to reducing poverty.

WHAT IS THE FIRST NATIONS NATIONAL CHILD BENEFIT?

The Government of Canada works in partnership with First Nations governments to improve the quality of life for families with children. This is in line with its policy that First Nations people should benefit as other Canadians do from national social, health and related programs. Accordingly, the First Nations NCB initiative has been established as an on-reserve addition to provincial and territorial programs. Its services and benefits are comparable to those available to people living in non-reserve areas. The services and benefits will help First Nations children receive the best possible opportunities to develop their potential as healthy, active and contributing members of their communities.

The First Nations initiative shares the NCB goals of other provinces and territories, namely:

- to prevent and reduce the depth of child poverty;
- to promote attachment of families to the work force; and
- to reduce overlap and duplication of government programs and services.

The initiative helps reduce the effects of poverty for people in First Nations communities in two ways: (1) income benefits are given to eligible low-income families with children; and (2) program funds are reinvested in projects that promote the independence and self-sufficiency of low-income families and their children.

INCOME BENEFITS

Three income benefits are given to eligible families to help them with the cost of raising children under age 18. The three are:

- the Canada Child Tax Benefit (CCTB) base benefit;
- the National Child Benefit Supplement (NCBS); and
- an additional provincial or territorial supplement where it is appropriate.

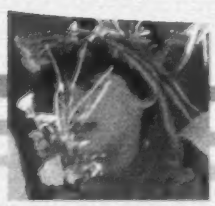
Monthly payments are based on the net income and the number and ages of children in the family. To receive benefits, a family must file an application form, as well as an income tax return. The Canada Revenue Agency needs both to calculate the amount of a family's benefit.

The benefits for low-income families are kept in line with increases in the cost of living. The NCBS has been increased every year since it began. Since January 2000, both the CCTB and NCBS have been fully indexed. As well, the maximum allowable income levels have been raised.

Currently, maximum annual payments (base benefit and supplement) are $2,719 for a first child, plus $2,503 for a second child, plus $2,507 for a third and each subsequent child.

To support the participation of low-income families in the workforce, benefits may continue to be paid to parents who leave income assistance for employment, but who have low earnings.

A Children's Special Allowance is paid to the agency for children being cared for by a Child and Family Services agency. This payment is made in place of the CCTB and the NCBS. The agency applies directly to the Canada Revenue Agency for the allowance when the child is taken into care. The person who had custody of the child before this time stops receiving CCTB and NCBS payments once the agency application is approved.



NCB REINVESTMENTS

When the NCB began, most provinces and territories reduced their income assistance rates for families with children in amounts equal to how much NCBS payments the families received. (Provincial and territorial approaches to replacing income assistance benefits to children are described in the Appendix.) The savings provide funds that may be reinvested to enrich existing services or to create new services that help reduce child poverty.

Under the terms and conditions of this National Child Benefit Reinvestment (NCBR) initiative, First Nations administer income assistance following the rate schedules of the provinces or territories. When a province or territory reduces income assistance payments to parents who are receiving child benefits, First Nations will also reduce their rates. For the recipients, the amount of their NCBS is at least equal to the reduced income assistance. This means total family income does not decrease. The savings turn into funds available for reinvestment in programs and services that will help First Nations prevent or reduce child poverty.

The amount of reinvestment funds is calculated on a regional basis. This follows the procedures and amounts that provincial or territorial governments use to adjust their income assistance rates because of the NCBS. A province or territory can supplement the federal payments with additional funding. This added funding is called the Additional Investment Envelope. When other governments give this extra funding, INAC reimburses the portion that reaches on-reserve, low-income families. For example, INAC reimburses Saskatchewan and Yukon for integrated child benefits payments to low-income families with children who ordinarily live on reserve.

In some cases, the reinvestment funds available to a community may not be large. However, First Nations are able to increase their effect by linking them with other resources, such as daycare funding, general band revenue or job-creation funding.

The NCBR funding process offers First Nations the flexibility to rank their reinvestments according to their unique needs and cultural values. The NCBR operates in each region closely following provincial or territorial models. However, First Nations projects usually cover a wider range of services than provincial or territorial projects cover.

In addition to reducing child poverty, the NCBR benefits First Nations governments and agencies by promoting local initiative and decision-making. Community policy-development and service-delivery capabilities are strengthened by the planning, design, operation, monitoring and evaluation of community-based projects.

REINVESTMENT FUNDING

The NCBR has made it possible for First Nations to invest significant financial resources in projects designed to yield short- and long-term social, health and economic benefits for their communities. The following table shows how much NCBR funding First Nations have used. The table sets out the actual NCB reinvestments by First Nations for each year between 1998-1999 and 2003-2004. From 1998-1999 to 2003-2004, First Nations have spent over $300 million to reduce child poverty.

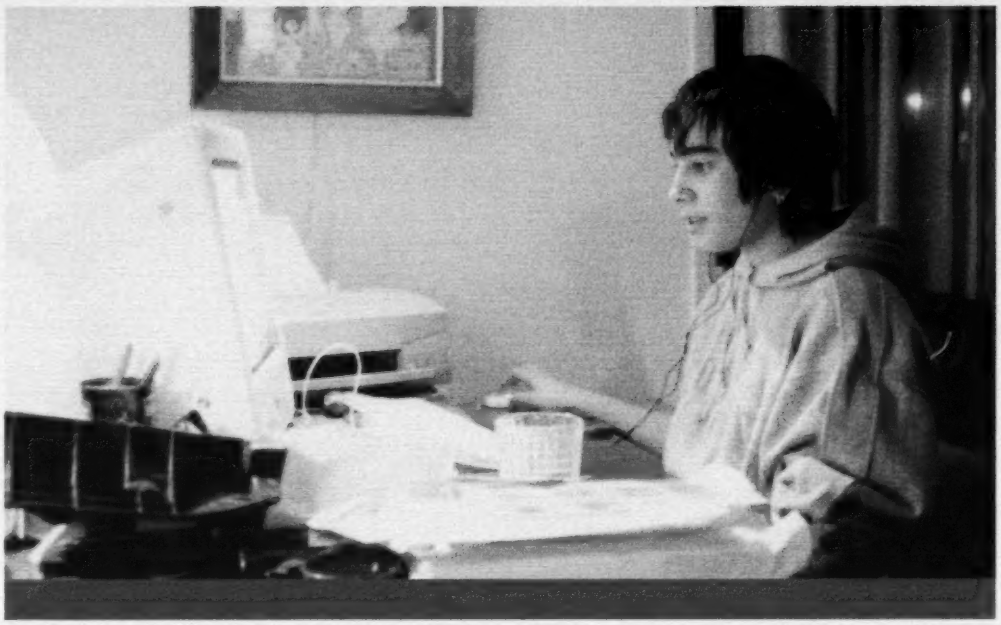


TABLE 1: Actual First Nations NCBR Expenditures by Year and Region for the Years 1998-1999 to 2003-2004 ($ 000's)[2]

Region		1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	Totals
Atlantic		1,000	2,100	3,000	1,548.6	991.4	757.1	**9,397.1**
Québec		6,824.2	8,539.5	8,539.5	8,539.5	8,160.7	6,202	**46,805.4**
Ontario		2,700	3,500	5,217.5	7,355.3	8,118.1	7,343.8	**34,234.7**
Manitoba[3]		4,300	8,400	7,785.6	5,322.1	3,209.1	1,763.9	**30,780.7**
Saskatchewan		4,400	8,600	11,440.8	15,391.7	16,851.4	18,815.5	**75,499.4**
Alberta		1,700	7,000	9,667.2	8,566.1	9,756.7	10,173.9	**46,863.9**
British Columbia		2,300	3,470	4,324	4,174.1	5,972.9	6,268.5	**26,509.5**
Yukon		200	300	264.1	341.1	488.5	438.5	**2,032.2**
Sub-total		**23,424.2**	**41,909.5**	**50,238.7**	**51,238.5**	**53,548.8**	**51,763.2**	**272,122.9**
Additional Investment Envelope[4]	Yukon	0	240.0	240.0	240.0	240.0	240.0	**1,200.0**
	Sask.	6,700	8,100	3,799.2	5,522.9	2,198.8	1,173.8	**27,494.7**
Total Reinvestments		**$30,124.2**	**$ 50,249.5**	**$54,277.9**	**$ 57,001.3**	**$55,987.6**	**$ 53,176.9**	**$300,817.6**

The following table shows the amounts of NCBR funds distributed, reported and unreported for the year 2003-2004 for each region.

TABLE 2: Reinvestment Funds Distributed, Reported[5] and Unreported for the Year 2003-2004[6]

Region		Distributed Reinvestment Funds	Funds Reported	Funds Unreported
Atlantic		757,100	757,100	0
Québec		6,202,000	2,445,800	3,756,200
Ontario		7,343,809	1,137,100	6,206,709
Manitoba		1,763,864	1,391,064	372,800
Saskatchewan		18,815,477	7,352,777	11,462,700
Alberta		10,173,900	9,588,000	585,900
British Columbia		6,268,500	6,066,800	201,700
Yukon		438,500	365,800	72,700
Additional Investment Envelope	Yukon	240,000	N/A	N/A
	Sask.	1,173,802	N/A	N/A
Total		**$ 53,176,952**	**$ 29,104,441**	**$ 22,65[illegible],709**

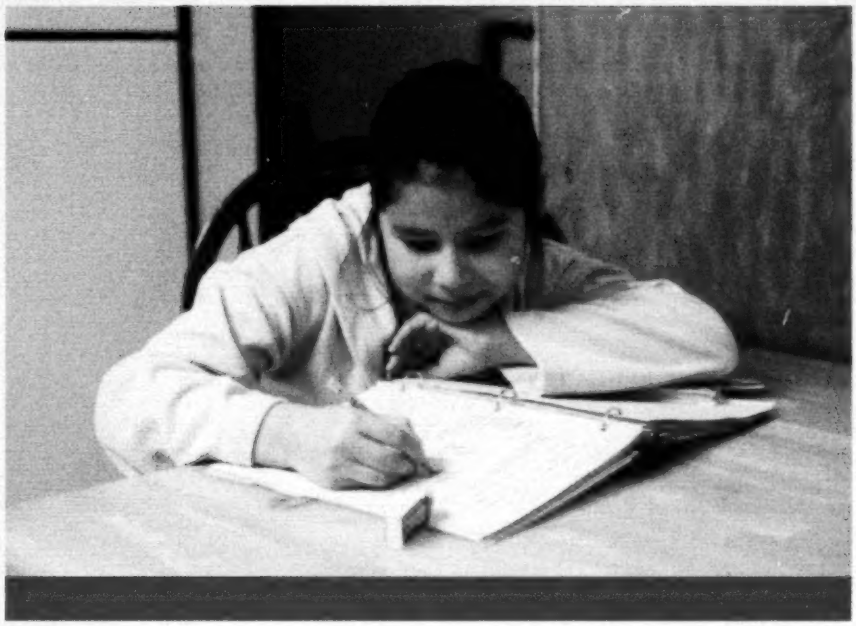
PROGRAM MANAGEMENT AND REPORTING

In a series of workshops with First Nations service providers, the *Proposal Development and Reporting Guide* was prepared and introduced during the last year to help developers and managers of First Nations NCBR projects. The Guide provides:

- the steps involved in developing a proposal. These steps include accessing funding, roles and responsibilities, writing the proposal, a proposal checklist, submitting the proposal, and a proposal template;
- reporting requirements. These requirements include time frames for reporting and the First Nations' NCB Annual Report on Reinvestment; and
- background information on the NCB initiative. An electronic version of the *Guide* may be found on INAC's NCBR website on the Internet.

Local reinvestment initiatives must be consistent with the federal, provincial or territorial program goal. This goal states that provinces and territories strengthen communities and families in order to reduce child poverty. Before entering into any funding agreements, INAC ensures that all required accountability provisions are included in the agreements so that the transferred funds will yield proper value.

Participants at all levels report on the inputs and results of reinvestments. This is a way to measure the achievement of NCBR goals. First Nation recipients must report to INAC on the activities and results related to NCBR funding. These annual reports list project titles, along with short descriptions outlining the purpose, activities, schedule and resources used for each project during the fiscal year. Descriptions of project results and accomplishments for the year, including the number of clients helped, are also listed.



The First Nation reports are used as the basis for a yearly summary report on reinvestment activities from the regions to Headquarters. The regional reports, in turn, are used for INAC's input to the annual federal, provincial and territorial report to the Ministers Responsible for Social Services. As well, INAC produces its own annual progress report to First Nations, regions, provincial and territorial governments, and the general public. This report describes the achievements of First Nations in creating and delivering services to their communities using NCBR funding.

Information on activities and results is obtained by ongoing monitoring. Feedback from First Nations on innovations, challenges and other aspects of reinvestment projects is an important part of the program management process.

The *NCBR Initiative National Manual* and other communications tools, such as a calendar highlighting key NCBR documents for First Nations, have been developed. They are available on INAC's NBCR website: http://www.ainc-inac.gc.ca/pe-cp/ncb_e.html on the Internet.

HOW FIRST NATIONS USE REINVESTMENT FUNDS

Number of Projects

First Nations in all regions of Canada have responded positively to the NCB initiative. Since it began, they have used reinvestment funds to provide a wide range of services to reduce the impact of child poverty in their communities.

The following table shows the number of projects that have been created and implemented by First Nations in each region for each of the past three fiscal years. In the last reported

year, 2003-2004, the number of projects, on average, was more than two for each First Nation across the country. However the number of projects varies from region to region – from seven projects in Atlantic Region to 959 projects in British Columbia Region.

TABLE 3: Number of NCB Reinvestment Projects by Region for the Years 2001-2002 to 2003-2004

Region	2001-2002	2002-2003	2003-2004
Atlantic	9	15	7
Québec	427	78	64
Ontario	140	78	52
Manitoba	80	248	99
Saskatchewan	174	81	72
Alberta	148	163	157
British Columbia	99	642	959
Yukon	11	29	13
Total	**1,088**	**1,334**	**1,423**

TYPES OF PROJECTS

Under the NCB funding process, all provinces and territories have the flexibility to use reinvestments and investments to meet their own priorities and needs. They can do this as long as they support the NCB's goals.

First Nations base their reinvestment decisions on consultations with their people. Or they include consultations as part of the overall redesign of their income support programs. Communities identify services that appear to be under-supplied. They then rank the service needs and see if funds and staff are available to develop these services. Communities then create the service structures that will provide the needed benefits to the people who need them. The projects they fund under NCBR vary from community to community. The projects cover a wide range of program areas, according to a community's needs and preferences.

The reinvestment projects for First Nations are divided into five broad Activity Areas, as described below.

CHILD NUTRITION: Included under this heading are projects to improve the health and well-being of children by giving them breakfast, lunch or snacks in school. Other projects educate parents about the nutritional needs of children and about meal preparation. Food hampers may also be delivered to homes of low-income families to support good child nutrition.

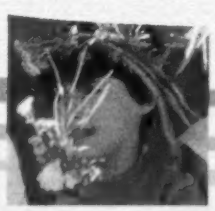
A Success Story:

Lowering the High Cost of Children's Milk

At the **Chipewyan Prairie First Nation** (Treaty 8) in northern Alberta many families could not afford to buy enough milk for their children. Because income assistance funds are limited and milk had to be shipped in at high cost from the nearest town, 120 kilometres away, the nutritional requirements and basic care of the community's children suffered. Families were also accumulating large credit accounts at the local store, which squeezed their budgets for necessities even further.

Using NCBR funds, the Social Development Administrator and local store owner, with the approval of the Band Council, developed the *Milk and Diaper Voucher Project* for low-income families with children who were eligible for income assistance. The voucher is used by parents at the local store for milk or juice if milk is not available. The voucher may also be used for diapers. By ensuring that parents are able to purchase an adequate supply of these necessary items, the program helps parents in the community raise healthy children.

The Social Development Administrator has received positive feedback from many users of the service. The families say that the voucher system is convenient. They also say it has helped stretch their income assistance and food budget to meet the nutritional needs of their children. By helping families in this way, the Chipewyan Prairie First Nation project has reduced the effects of child poverty for the members of their community.



CHILD CARE/DAYCARE: These projects enhance daycare facilities to enable more low-income families to put their children in daycare. The emphasis may be on caring for children of working parents or parents who are participating in training projects. Or NCBR funds may be used to reduce the share of child-care costs that parents, working or in training, must pay for the care of their children in the facilities. However, no direct subsidies are given to parents.

A Success Story:

Child Daycare and other Supports for Parents Taking Training

Low-income families in the **Kwalin Dunn First Nation** were finding it difficult to meet the costs of daycare while they were at on-the-job training or workshops and courses to upgrade their educational levels. The community decided that the needs of these families, and their children, could be met by using NCB reinvestment funds to establish and operate the Ashea Daycare and the *Aboriginal Headstart Nutrition* programs. Another closely linked NCBR project involved increasing parental participation in developing their children's learning readiness and life skills.

All these reinvestment projects were successful in creating a healthy environment where children can interact and learn proper social behaviours. The projects also improved their physical health. More opportunities were created for parents to become self-sufficient and to provide role models for children. The projects gave parents and children the tools to manage stress, violence, budgets, employment, schedules, deadlines and many more of life's challenges.

The projects being carried out by Kwalin Dunn First Nation are helping achieve the First Nations NCB initiative's goals to promote the attachment of families to the work force and to lessen child poverty.

EARLY CHILDHOOD DEVELOPMENT: These projects support parents to give their children a sound start in life through early intervention services; for example, drop-in centres for parents or training in parenting skills.

A Success Story:

Helping Parents Raise Healthy Families

Early childhood development was the focus at **Little Red River Cree Nation** (Treaty 8), when NCBR resources were used to establish the *Family Enhancement Project* to promote wellness and healthy life choices. Through culturally sensitive programming, the project provides at-risk families and youth with consistent support, guidance and opportunities to make healthier lifestyle choices. Participants are taught budgeting, shopping skills, household duties and hygiene. Gift baskets of necessities for newborns are available to low-income families. Workshops have been organized, covering topics such as cooking and

nutrition, survival skills and disaster services, and arts and crafts. A hot lunch program, participation of youth in provincial sporting events, summer student employment and a healing cultural camp are other projects.

Youth cultural excursions include activities such as hand games, tea dances, food preparation and workshops on substance sniffing and alcohol addiction. Youth can attend a "Chili Night" where they come together in a social and learning environment, and the older youth learn to prepare food. The Family Enhancement Project has received positive feedback from the community. Staff try to conduct at least one workshop for adults and one for youth each month.

The wide range of services and activities provided under the Family Enhancement Project meet the First Nations NCB 's goals by helping parents raise their children to be healthy, contributing members of the community.

A Success Story:

A Community Wellness Program

Fort McKay First Nation established a Wellness Team to help integrate child-centered and youth-centered programs into the community recreation and culture program. The Wellness Team included various program coordinators, Elders, a nutritionist and a dietician. The local school also participated. Through regular meetings, young mothers learned basic skills in budgeting, shopping and food preparation and storage. Nutritious meals were given to children and youth. Social skills were developed through interaction with the community. The coordinated approach helped the various organizations and departments of Fort McKay work together more effectively to reduce the effects of child poverty.

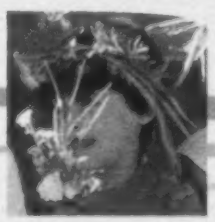
EMPLOYMENT AND TRAINING OPPORTUNITIES: These projects seek to increase the skills of parents and youth in order to improve their prospects for employment. Some projects have focussed on employment and skills development, summer work projects for youth and personal development workshops.

A Success Story:

Preparing Youth for Employment

The **Skookum Jim Friendship Centre** in Whitehorse, Yukon Territory, provides quality program service with parental and community support to urban Aboriginal youth. The Centre uses NCBR funds plus other funds to deliver services in several program areas. In the area of youth employment and training preparedness, projects have been developed such as WorkLife Job Skills, drum-making and traditional songs, traditional meat preparation, potlach activities, mask making, fish camp or hunting camp, and youth self-empowerment. A Youth Advisory Council was directly involved in the projects. The projects include:

WorkLife Job Skills: Thirty-five youths participated in this successful project. The main goal was to explore new technology computer basics. Participants developed skills at their own rate to achieve their goals and objectives in



projects designed for each student. These included skills with the computer, MS Word and Internet operations, as well as skills related to job searches, and developing résumés and cover letters. So far, participants have preferred to do all training on the computer, including preparing résumés, job applications and a number of outlined exercises. The preliminary assessment and feedback was very positive. Participants responded well to the training. They also displayed strong commitment and motivation for learning under this project. This project has been successful in its design, development and implementation.

Drum-making: This mini-project for youth consisted of instruction and working with a mentor Elder on drum-making and singing traditional songs. The project included two workshops and had a very positive response. It is expected that the project will continue and expand.

Traditional Meat Preparation: This project focussed on traditional techniques for meat preparation and preservation, including salmon, moose and caribou. It involved drying meats and making sausage and pemmican, as well as developing meat-cutting skills.

Mask Making: This very successful project focussed on traditional mask making.

Fishing and Hunting Camp: This project took place in the Pelly area, and involved Elders and four youth. They were successful in bringing two moose back to camp. The meat was used for the sausage and dried meat project. This camp, too, was regarded as very successful.

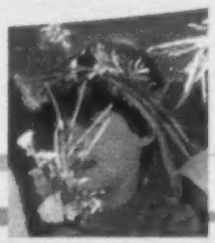
Participants told the the Skookum Jim Friendship Centre that the projects designed to improve employment and training opportunities for urban Aboriginal youth are rated highly.

COMMUNITY ENRICHMENT: Included in this category are projects such as teaching traditional culture (for example, art, music, storytelling). Projects also include support projects for youth, celebrations, peer support groups, family and community supports such as life skills, financial management training, and other group activities that bring community Elders, children and youth together.

A Success Story:

Community Youth Projects

Several projects were undertaken at **Marten Falls First Nation** using reinvestment funding. The projects included support for youth from 9 to 12 years old so that they could attend summer camp outside the community; a summer employment program for students who planned to return to school in the fall; a regalia project for youth to



make their own costumes for the powwow; a drop-in centre; purchase of sporting equipment for after-school activities; cultural activities, including dancing and the sweat lodge; construction of a beach and swimming classes; and rewards to students who demonstrate significant improvement at school.

Activities were planned to increase the time that parents and their children could spend together. The various projects enhanced unity within the community and provided facilities, equipment and services that are not usually available.

A Success Story:

A Youth Activity Centre

The **Listuguj First Nation** opened its Youth Centre to provide its young people with a safe and comfortable place to socialize, gather and rediscover their rich Mi'gmaq culture. The Centre is open every day for eight to ten hours for youth between 10 and 17 years old. Activities offered at the Centre include craft-making, seasonal activities such as pumpkin-carving, board games, special outings to visit native traditionalists, sleep-overs, workshops on substance abuse and other youth-related matters. Seminars and workshops pertaining to youth were also given. A Youth Council was formed to help direct the Youth Centre. An old community hall building was donated to be converted into a new Youth Centre Facility.

The Listuguj First Nation Youth Centre Project is an outstanding success. It has had many positive impacts for youth and the community as a whole. First Nations NCB reinvestment funding is the key to its existence. Without this funding, it would have been very difficult to continue day-to-day operations and to provide the much-needed services.

A Success Story:

Teaching Life Skills to Deal With Family Problems

The **Skookum Jim Friendship Centre** has also developed strategies and family supports to increase the awareness of challenges to young children growing up in an urban environment. NCBR funding is used to deliver a range of projects offering organized activities and training. One such program is *Youth Self-Empowerment*, which aims to create positive learning experiences for youth and their families by working with parents, families and youth in family support. The goal is to provide a positive home environment and to emphasize family problems and dysfunctions that are caused by drinking and alcohol addiction. Sometimes the process involves referrals to social service agencies. The focus of the project is on youth, working one-on-one with children and families and to provide support as needed.

This project was extremely valuable in providing family support in home situations. All participants have benefited, especially youth and family support in the home environment. The project's success is also shown by the positive responses from all participants.

FIRST NATIONS REINVESTMENTS BY ACTIVITY AREA

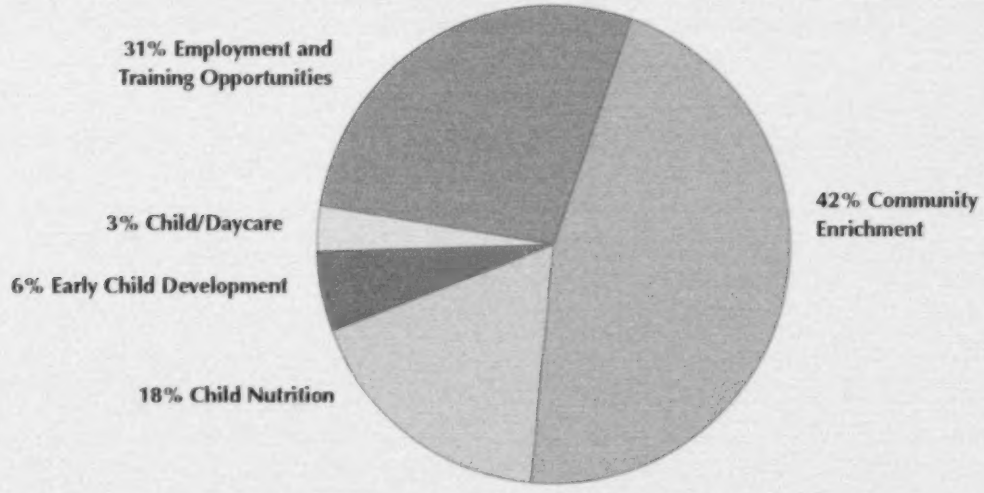
The following table shows the amounts of NCBR funds invested in each Activity Area, by region, in the year 2003-2004.

TABLE 4: Reinvestment Funds Reported by Region and Activity Area for the Year 2003-2004[7] (in $ 000's and as Percentages of the Total)

Region	Child/ Daycare	Child Nutrition	Early Child Development	Employment and Training	Community Enrichment	Total
Atlantic	0 -	3.2 *.4%*	0 -	0 -	753.9 *99.6%*	**757.1**
Québec	9.3 *.4%*	544.7 *22.3%*	60.2 *2.4%*	1,186.6 *48.5%*	645.0 *26.4%*	**2,445.8**
Ontario	0 -	533 *46.9%*	0 -	16.7 *1.5%*	587.4 *51.6%*	**1,137.1**
Manitoba	6.0 *.4%*	488.2 *35.1%*	20.3 *1.5%*	147.7 *10.6%*	728.9 *52.4%*	**1,391.1**
Saskatchewan	253.4 *3.4%*	827.9 *11.3%*	151.3 *2.1%*	2,998.4 *40.8%*	3,121.9 *42.4%*	**7,352.8**
Alberta	124.8 *1.3%*	1,217.5 *12.7%*	459.0 *4.8%*	3,534.7 *36.9%*	4,251.9 *44.3%*	**9,587.9**
British Columbia	462.1 *7.6%*	1,487.3 *24.5%*	1,055.2 *17.4%*	974.8 *16.1%*	2,087.4 *34.4%*	**6,066.8**
Yukon	10.2 *2.8%*	9.5 *2.6%*	4.0 *1.1%*	27.1 *7.4%*	314.9 *86.1%*	**365.8**
Total[8]	**$ 865.8** ***3%***	**$ 5,111.3** ***17.6%***	**$ 1,750.0** ***6%***	**$ 8,886.0** ***30.5%***	**$ 12,491.3** ***42.9%***	**$ 29,104.4**

The percentage of total national spending (funds reported) by Activity Area for 2003-2004, from the Table 4, is illustrated by the following chart.

Reinvestments by Activity Area for the Year 2003-2004



The dollar amounts and percentages shown in Table 4 and the chart above show that First Nations put most reinvestment funding into Community Enrichment and Employment and Training Opportunities, with Child Nutrition following. Early Childhood Development and Child/Daycare are the least common areas of reinvestment. There are significant differences among the regions, however. Québec Region reinvests almost one-quarter (24.5 percent) of NCBR funds in Child Nutrition. First Nations in Atlantic Region put only 2.6 percent of available funds into this Activity Area. British Columbia Region reinvests almost one-half (48.5 percent) of its funds in Employment and Training Opportunities, but Alberta Region reinvests only 1.5 percent in that area. Alberta Region, on the other hand, greatly exceeds the national average of 17.6 percent investment in Child Nutrition, by placing 46.9 percent of its total reinvestments into this area.

There is also significant variation from year-to-year where NCBR funds are spent. The following table shows that annual Community Enrichment spending ranges from a low of $8.8 million up to almost $20 million. The Early Childhood Development totals vary from less than $1 million to about $3.5 million per year. Employment and Training Opportunities spending has risen steadily over the four years. Spending on Child/Daycare and Child Nutrition is fairly consistent from year-to-year.

TABLE 5: Actual NCBR Expenditures by Activity Area for the Years 2000-2001 to 2003-2004

	2000-2001	2001-2002	2002-2003	2003-2004[9]
Child/Daycare	617,000	813,700	984,200	865,800
Child Nutrition	5,002,700	6,971,800	7,053,300	5,111,300
Early Child Development	3,463,200	1,288,900	947,300	1,750,000
Employment and Training	5,078,500	5,738,500	7,900,200	8,886,000
Community Enrichment	8,821,500	19,219,400	18,971,500	12,491,300
Total	**$ 22,982,900**	**$ 34,032,200**	**$ 35,856,500**	**$ 29,104,400**

IMPACTS OF FIRST NATIONS NCB REINVESTMENTS

Reinvestment funding has enabled First Nations to provide services (which are not usually available) to a great number of low-income families and children in their communities. The following table shows how much of these First Nations programs have reached the people who need them:

TABLE 6: Number of Families and Children Benefiting[10] from NCBR Projects and On-Reserve Registered Indian Population Aged 0-19 Years,[11] by Region for the Year 2003-2004

Region	Number of Families	Number of Children	On-Reserve Child Population	Percentage of Children Served
Atlantic	431	776	7,435	10.5
Québec	2,971	5,984	18,018	33.2
Ontario	2,945	7,768	30,778	25.2
Manitoba	2,936	7,016	34,892	20.1
Saskatchewan	33,363	76,474	28,581	267.6
Alberta	9,798	21,460	29,158	73.6
British Columbia	40,693	74,586	21,666	344.3
Yukon	479	366	2,430[12]	15.1
Total	**93,616**	**194,430**	**172,958**	**112.4**

The percentage of children served ranges from 10.5 percent in Atlantic Region to 344.3 percent in British Columbia Region. The national average is 112.4 percent.

The numbers of families and children served according to Activity Area and region is shown in the following table. It also shows the number of regional projects.

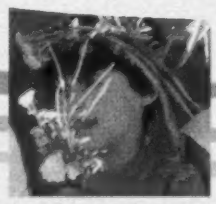
TABLE 7: Numbers of Reinvestment Projects and Families and Children Benefiting[13] from NCBR Projects by Activity Area for the Year 2003-2004

Activity Area	Number of Projects	Number of Families	Number of Children
Child/Daycare	76	3,955	9,746
Child Nutrition	324	21,739	47,325
Early Child Development	192	8,053	21,483
Employment/Training	213	18,706	36,967
Community Enrichment	618	41,163	78,909
National Total	**1,423**	**93,616**	**194,430**

Tracking the numbers of beneficiaries over the course of the past four years shows that more and more families and children are being helped by First Nations reinvestment projects. It can be seen in the following table that the number of children served has risen consistently, from 83,406 in 2000-2001 to 194,430 in 2003-2004. The number of families has also risen from 45,903 to 93,616 during the same period.

TABLE 8: Numbers of Families and Children Benefiting[14] from NCB Projects in the Years 2000-2001 to 2003-3004, by Region

	2000-2001		2001-2002		2002-2003		2003-2004	
Region	**Families**	**Children**	**Families**	**Children**	**Families**	**Children**	**Families**	**Children**
Atlantic	593	963	683	1,086	574	681	431	776
Québec	14,214	20,433	4,379	9,610	3,945	8,720	2,971	5,984
Ontario	2,998	6,101	4,500	9,713	7,958	16,240	2,945	7,768
Manitoba	6,197	14,796	6,662	16,444	6,752	14,301	2,936	7,016
Saskatchewan	1,294	3,599	3,117	9,598	7,404	18,803	33,363	76,474
Alberta	3,396	8,354	8,218	22,273	5,998	15,054	9,798	21,460
B. C.	17,046	28,907	15,125	26,088	25,238	43,409	40,693	74,586
Yukon	165	253	250	506	98	526	479	366
Total	**45,903**	**83,406**	**42,934**	**95,318**	**57,967**	**117,734**	**93,616**	**194,430**



CONCLUSION

A sense of cultural pride and individual self-esteem has been fostered by community enrichment activities such as raising awareness about the social, economic and cultural traditions and values of many participating First Nation communities. By providing benefits and services that help low-income families with children to share more fully in the life of their community, First Nations are supporting the goals of the NCB. Services funded under the initiative have made it possible for many communities to reduce child poverty and enable low-income parents to participate in the workforce. Furthermore, a sense of cultural pride and individual self-esteem has been fostered by community enrichment activities. These activities include raising awareness about the social, economic and cultural traditions and values of the community.

The adaptability of the NCBR initiative offers First Nations wide-ranging opportunities to rank, develop and deliver services to help low-income families and their children. As long as funded projects and services follow NCB objectives, First Nations are able to focus on activities based on their own needs. The scope and flexibility of the NCBR allows First Nations to successfully use reinvestment funds for many different kinds of projects and services. First Nations have been using these funds more often and more effectively. This is shown in Tables 3 and 8.

The benefits that the system has for communities are as follows:

1. The funding process provides services that can improve the conditions of life, both in the present and future, for low-income families and their children. These services make it possible for them to participate more fully in community economic, social and cultural activities.
2. The flexible nature of the initiative allows First Nations to address their specific community priorities and needs while working on child poverty.
3. The initiative reinforces the direction of national and regional First Nations organizations and the Government of Canada to develop self-governing, self-determining and self-reliant First Nation communities.
4. By establishing and operating NCBR-funded projects, local officials and administrators develop managerial knowledge and skills that they can transfer to other tasks and undertakings, for the betterment of their communities.

First Nations will probably continue to achieve these benefits. They will also continue to build on and share their experiences and knowledge about this unique way to fund social, health and related services in their communities.

The Government of Canada continues to work in partnership with First Nations to achieve the shared goal of improving the quality of life for Aboriginal peoples. The benefits gained by low-income parents and their children in First Nations communities across the country through the NCBR are a significant result of this shared effort.

APPENDIX

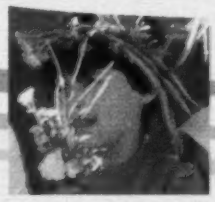
PROVINCIAL AND TERRITORIAL APPROACHES TO REPLACING INCOME ASSISTANCE BENEFITS TO CHILDREN

Some provinces (New Brunswick, Manitoba) allow the NCB Supplement to be paid directly to recipients without affecting the income assistance entitlement of children. Most provinces and territories, however, adjust income assistance entitlements to take account of NCBS payments. Three distinct approaches for replacing income assistance benefits for children have evolved since the NCB began in 1998. These are as follows:

1 **Social Assistance Offset Approach:** Under this approach, provinces and territories either treat the NCB Supplement as an unearned income charge against social assistance or reduce their social assistance rates for children. In the case of income offset, social assistance recipients have the amount of the NCB Supplement they receive deducted from their social assistance entitlement. This approach is used in Prince Edward Island, Ontario, Yukon, Northwest Territories and Nunavut. In the case of rate reduction, the social assistance rate is reduced by the maximum NCB Supplement. Alberta uses this approach. For First Nations, there is no practical difference between the income offset and rate reduction models. This is because First Nations families living on reserve are entitled to collect the full amount of the NCBS because their income is non-taxable. Families that stop receiving social assistance continue receiving the NCB Supplement. Reinvestment funds under this approach are funds that provinces and territories save when entitlements of recipients are reduced.

2 **Integrated Child Benefit Approach with Adjustment:** Some provinces or territories have chosen to restructure their social assistance system to pay children's benefits through a separate income-tested child benefit program that is integrated with the CCTB program. Under this approach, increases in the NCB Supplement are offset in full or in part against the provincial child benefit. The savings from this offset become the province's reinvestment funds. Saskatchewan and British Columbia have adopted this approach.

3 **Integrated Child Benefit Approach without Adjustment:** Some provinces and territories have restructured their social assistance system to provide children's benefits through a separate income-tested program. In these cases, however, there was no offset of the NCB Supplement against child benefits. In the provinces and territories that implemented this type of approach, the amount of reinvestment funds is set to the funds that were being used for child benefits under the social assistance system at the time the system was restructured. The amount of reinvestment funds is set at that time and remains the same for following years. Newfoundland and Labrador, Nova Scotia and Quebec have adopted this approach.



REFERENCE NOTES

[1] The Government of Québec agrees with the basic principles of the NCB, but did not take part in NCB development because it controls income support for children in the province. Québec's family policy is consistent with that the NCB's policy.

[2] These figures are a snapshot in time and are based on reports submitted by First Nations to their respective regional INAC office as of July 15, 2004. The data is summarized by regional offices or submitted to INAC Headquarters via the Transfer Payment Management System. Any reports that may have been submitted after July 15, 2004, are not reflected in the tables in this report.

[3] As of January 2004, the Province of Manitoba has opted to pay all children's benefits directly to families. Therefore, reinvestment funds are no longer available.

[4] The Additional Investment Envelope is the additional funds the province or territory invest in the NCBS beyond the federal level. They do this through an integrated provincial or territorial child benefit system. When a province or territory invests more than the value of the federal NCBS, INAC reimburses the provincial or territorial portion paid to low-income families living on reserve.

[5] Reporting on results and spending is done in a different way for First Nations under self-government agreements, and for multi-year agreements signed before 1998.

[6] These figures are a snapshot in time and are based on reports submitted by First Nations to their respective regional INAC office as of July 15, 2004. The data is then summarized by the regional offices and submitted to INAC Headquarters via the Transfer Payment Management System. More reports may have been submitted after the cut-off date of July 15, 2004, and are not reflected in the tables in this report.

[7] These figures are a snapshot in time and are based on reports submitted by First Nations to their respective regional INAC office as of July 15, 2004. The data is then summarized by the regional offices and submitted to INAC Headquarters via the Transfer Payment Management System. More reports may have been submitted after the cut-off date of July 15, 2004, but they are not reflected in the tables in this report.

[8] Reporting on results and expenditures is done in a different way for First Nations under self-government and multi-year agreements signed before 1998.

[9] These figures are a snapshot in time and are based on reports submitted by First Nations to their respective regional INAC office by July 15, 2004. More reports may have been submitted after the cut-off date of July 15, 2004, but they are not reflected in the amounts given in the table.

[10] Numbers may include duplicates where a family benefits from more than one service in the community.

[11] On-Reserve Registered Indian Population Aged 0–19. Source: INAC's Indian Register as at December 31, 2003.

[12] This figure represents the total number of registered Indians in Yukon because all are considered ordinarily living on reserve. The actual children aged 0-19 living on reserve in this territory is 1,252.

[13] Numbers may include duplicates where a family benefits from more than one service in the community.

[14] Because some families and children received more than one community service, the numbers of beneficiaries may contain some duplications.